



MEMORANDUM

Date: July 20, 2023

To: Luke Winchester, Chairman
and Planning Commission

From: Jennifer Hamblen, Planning Director
Jon Baughman, Deputy Planner

Re: Breweries in Commercial
Zoning Ordinance Amendment
Map – N/A
Parcel(s) – N/A

Overview: The City has recently begun to receive questions regarding brewery/taproom type uses and whether or not they are permitted within commercial districts in the City. The Zoning Ordinance does not allow this particular use in commercial, the production of beverages is considered a manufacturing use, relegating it to industrially zoned areas.

Summary: This amendment will allow small scale production of beverages to be consumed primarily on premise in certain commercial districts. If approved, breweries and microbreweries will be permitted, through the PUD process, in all commercial districts excluding CNS and OPS. Sections 2-103, 2-103 and 6-102 of the Zoning Ordinance are amended as shown highlighted in **YELLOW** below:

Sec. 2-103. Definition of land use activities.

The definitions within this section are applicable to specific land use activities appearing throughout this ordinance.

2-103.4 Manufacturing activities.

Brewery [means] the large-scale production of beer and/or malt beverages in quantities exceeding twenty-five thousand (25,000), however not exceeding fifty thousand (50,000) barrels annually, with one (1) barrel holding thirty-one (31) gallons, and may include as an accessory use, tours, a taproom/tasting room, restaurant, or retail space for the consumption of beer and/or malt beverages made on-site and purchase of brewery related merchandise.

Manufacturing, basic industry [means] an establishment engaged in the basic processing, conversion and manufacturing of materials or products predominantly from extracted or raw materials, or manufacturing processes utilizing flammable or explosive materials. or storage or manufacturing processes that potentially involve hazardous or commonly recognized offensive conditions, other than those classified in the hazardous operations activity type.

Manufacturing, general. This grouping includes all manufacturing operations excepting those classified as basic industry or hazardous operations.

Manufacturing, hazardous operations [means] any establishment engaged in production and/or storage of materials that present serious hazards to human life and health.

Manufacturing, limited [means] an establishment primarily engaged in the on-site production of limited quantities of goods by hand manufacturing that generally involves the use of hand or small power tools, that may include the incidental direct sale of those goods to consumers.

Microbrewery [means] the small-scale production of beer and/or malt beverages in quantities not to exceed twenty-five thousand (25,000) barrels annually, with one (1) barrel holding thirty-one (31) gallons, and may include as an accessory use tours, a taproom/tasting room, restaurant or retail space for the consumption of beer and/or malt beverages made on-site and purchase of brewery related merchandise.

2-103.5 *Agricultural and extractive activities.*

Agriculture, general. This term is intended to include farms (and farm residences) that involve orchards, raising of livestock, dairy cattle, horses or poultry, and truck farming.

Agriculture, intensive. These agricultural uses include operations where animals are tightly confined in buildings or outdoor pens including operation of one or more of the following:

- (a) *Dairy farm* means any place or premises where one or more cows are kept and from which a part or all of the milk or milk products is provided, sold or offered for sale to milk plant, transfer station or receiving station.
- (b) *Egg production house* means any place or premises where chickens are kept for production of eggs for resale to processors, wholesalers or retailers.
- (c) *Feedlot* means a lot, yard, corral or other area in which livestock are confined primarily for the purposes of feeding, growing, raising, or birthing prior to slaughter. Feedlot does not include areas which are used for the raising of crops or other vegetation upon which livestock are allowed to graze or feed.

Agricultural services. This term is intended to encompass a wide variety of service activities that directly support production of crops and animals but are not in and of themselves agricultural activities.

Mining, quarrying and soil extraction. This term is intended to include all operations engaged in the removal by excavation, stripping, dredging or otherwise taking of soil, gravel and sand for off-site use.

Plant and forest nursery. This category includes nurseries with or without retail sales or accessory greenhouses. A minimum of 51 percent of all materials sold by a nursery must be grown on-site. (Nurseries containing a garden center are included within the "Outside material and equipment sales and repair yards" commercial classification.)

2-103.6 *Accessory activities.*

Accessory apartment [means] an apartment shall be considered an accessory use to any single-family dwelling when such apartment is occupied by a family member and complies with the provisions of article III, subsection 3-105.1.

Bed and breakfast-homestay [means] a minor home occupation that provides one to three rooms for occasional paying guests on an overnight basis for periods not to exceed 14 days with one daily meal being available on the premises. A bed and breakfast homestay is allowable only in a building originally constructed as a single-family residence.

Bed and breakfast inn [means] an operator or owner occupied residence that provides four to 12 rooms for paying guests on an overnight basis for periods not to exceed 14 days with one daily meal being available on the premises. A bed and breakfast inn is allowable only in a building originally constructed as a residence. Bed and breakfast inns are subject to approval by the Tennessee Department of Environment and Conservation in addition to all local requirements.

Country inn [means] a bed and breakfast inn that also has facilities for group and/or special event activities. A country inn is allowable only in a building constructed as a residential dwelling. Country

inns are subject to approval by the Tennessee Department of Environment and Conservation, in addition to all local requirements.

Sec. 3-103. Detailed activity listing.

3-103.4 Manufacturing activities—Class and types.

1. Activity type—Manufacturing, limited.

- a. *Intent and limitations.* This grouping is intended to include manufacturing operations which involve compounding, processing, assembling, packaging treatment or fabrication of materials necessary to create the following products:

Apparel accessories, such as hats, jewelry and umbrellas

Art objects

Bakery goods

Beverages

Dairy products

Instruments for scientific, medical, dental, engineering and other professional purposes

Printed matter

Signs

Note(s)—No activity included within this grouping shall involve the outside storage of any amount of raw material or finished goods.

- b. *Use listing.* In addition to the manufacturing of the above products the following activities and operations are held to be limited manufacturing activity:

Brewery

Bookbinding

Candlemaking

Data processing service

Microbrewery

Photocopying

Photoengraving

Precision machining of dies, jigs and fixtures

Printing

Publishing

Record pressing

Upholstering

2. Activity type—Manufacturing, basic industry.

- a. *Intent and limitations.* This grouping is intended to include firms engaged in conversion, processing and storage of extracted or raw materials, or in the use and/or storage of flammable or explosive materials, or manufacturing processes that potentially involve hazardous or commonly recognized offensive conditions, other than those classified as hazardous operations. The grouping includes activities engaged in the following operations as well as the storage, manufacture, compounding, or treatment of the materials indicated:

Asphaltic cement and concrete batching

Cotton seed oil

Fat rendering
Fuel production, refining and bulk storage
Organic fertilizers
Smelting and refining of metals
Wood pulp

- b. *Use listing.* Subject to the general intent and limitations set out above for this use grouping the following manufacturing activities and operations shall be considered basic manufacturing:

Abrasive and nonmetallic mineral processing
Asphaltic cement plants
Bulk fuel storage, processing and distribution
Cement and/or concrete plants
Coal yards
Cotton ginning
Crematories
Fat rendering
Foundries
Grain milling
Ore reduction
Offal processing
Pulp manufacturing
Slaughterhouses
Steel works and metal smelting
Tanneries

3. *Activity type—Manufacturing, general.*

- a. *Intent and limitations.* This grouping is intended to include a broad range of operations which includes assembling, manufacturing and fabricating. The grouping does not include those activities engaged in operations classified as basic industry or hazardous operations.
- b. *Use listing.* Subject to the general intent and limitations set out above for this use grouping manufacturing activities and operations, except those classified as basic industry or hazardous operations shall be classified as general manufacturing operations.

4. *Activity type—Manufacturing, hazardous operations.*

- a. *Intent and limitations.* This grouping is intended to include all manufacturing and storage operations and facilities that may present serious hazards to human life and health. The use listing presented within this grouping is intended to be illustrative of the type operations included within this activity type and is not intended to be inclusive of all operations which may be considered as hazardous. The grouping is specifically intended to include operations engaged in storage of, as well as manufacturing operations involving the use of substances that may present serious hazards to human life and health. In any instance where the nature of operations or of materials utilized in such operations can be substantiated as presenting serious hazards to human life and health, such activities shall be classified as hazardous operations.
- b. *Use listing.*
- Arsenals
Atomic reactors

Explosives and fireworks manufacture and storage

3-103.5 *Agricultural and extractive activities—Class and types.*

1. *Activity type—Agriculture, general.*
 - a. *Intent and limitations.* This grouping is intended to include the raising of tree, vine, field, forage and other plant crops intended to provide food or fiber, as well as keeping, grazing or feeding animals for animal products, animal increase or value increase.
 - b. *Use listing.*
 - Animal raising
 - Food crop production
2. *Activity type—Agriculture, intensive.*
 - a. *Intent and limitations.* This grouping is intended to include feedlots, dairy farms and egg production operations covered under provisions of sections 48-18-101 through 48-18-104, Tennessee Code, where animals are tightly confined in buildings or outdoor pens including facilities for the processing, packaging, or treatment of agricultural products.
 - b. *Use listing.*
 - Dairy farms
 - Egg production operations
 - Feedlots
3. *Activity type—Agricultural services.*
 - a. *Intent and limitations.* This grouping is intended to include a variety of service functions that are directly linked to the agricultural activities that these functions support.
 - b. *Use listing.*
 - Crop drying, storage and processing services
 - Crop planting, cultivating and protection services
 - Horticultural and soil preparation services
 - Veterinary services for livestock
4. *Activity type—Mining and quarrying.*
 - a. *Intent and limitations.* This grouping is intended to include operations and facilities either utilized by, or in support of the extraction of minerals, ores, petroleum and natural gas or in the quarrying and collection of stone, sand and gravel, clay and other nonmetallic minerals (such as phosphate rock).
 - b. *Use listing.*
 - Borrow pits involving soil extraction for off-site use
 - Chemical fertilizer and nonmetallic mineral mining
 - Clay, ceramic and refractory minerals mining
 - Coal mining
 - Crude petroleum and natural gas production
 - Metal ore and mineral mining
 - Sand and gravel quarrying
 - Stone quarrying
 - Metal ore and mineral mining
 - Sand and gravel quarrying
 - Stone quarrying

5. *Activity type—Plant and forest nurseries.*

- a. *Intent and limitations.* This grouping is intended to include the cultivation for sale of horticultural specialties, such as flowers, shrubs and trees, intended for ornamental, landscaping, or tree planting purposes.

b. *Use listing.*

Forest nursery

Plant nursery

Sec. 6-102. Uses and structures.

6-102.1 *General provisions.* Principal uses of buildings or other structures and land have been classified and combined into major classes and activity types in article III of this ordinance. The procedure for interpreting the classes and type of activities is provided in article III, section 3-101, table 6-102A, presents a tabulation of uses and structures which are classified as principal permitted (P), permitted with supplemental provisions (SUP) or conditional (C) uses within the various commercial districts. The supplemental design provisions with which (SUP) and (C) uses and activities are required to comply appear in article III, section 3-104, Supplemental use regulations.

Table 6-102A. Permitted and Conditional Uses and Structures Allowable Within Mixed Use and Commercial Districts									
[Uses and Structures]			Districts						
			CG	CI	CMU	CNS	OPS	CTC	CRC
Principal uses and activities									
I.	Residential activities								
	A.	Permanent residential activity							
		1. Single-family dwelling							
		2. Duplex dwelling							
		3. Multifamily dwelling							
		4. Manufactured home dwelling							
	B.	Semi-transient residential activity							
		1. Lodginghouses							
	C.	Mixed Use Development							
		1. Mixed-Use Building			P(1,5,10)			P(1,5,6,10)	
		2. Mixed-Use Site			P(1,5,10)			P(1,5,6,10)	
II.	Community facility activities								
	A.	Administrative services	P	P	P	P	P	P	P
	B.	Child care facilities	SUP	SUP	SUP	SUP	SUP	SUP	SUP

	C.	Community assembly	P	P	P	SUP	SUP	SUP	SUP
	D.	Cultural and recreational facilities	P	P	P	C	C	C	P
	E.	Educational facilities	P	P	P	P	P	P	P
	F.	Essential public transport, communication and utility services	P	P	P	P	P	P	P
	G.	Extensive impact facilities	C		C				
	H.	Health care facilities	SUP	SUP	SUP	C	C	C	SUP
	I.	Intermediate impact facilities	C	C	C		C	C	C
	J.	Religious facilities	C	C	C	C	C	C	C
	K.	Special institutional care facilities	C		C				
	L.	Special personal and group care facilities	C		C	C	C	C	
	M.	Waste disposal operations							
III.	Commercial activities								
	A.	Adult entertainment							
	B.	Animal care and veterinary services	SUP	SUP	SUP	SUP		SUP	SUP
	C.	Automotive parking	P	P	P			P	
	D.	Automotive and marine craft sales, service and repair	P(4)	P	C				
	E.	Banking, financial, insurance and real estate services	P(7)	P(7)	P(7)	SUP(7)	SUP(7)(8)	P(7)	P(7)
	F.	Convenience retail sales and services	SUP	SUP	SUP	SUP(2)(3)	SUP(2)(3)	SUP(2)	SUP(2)
	G.	Entertainment and amusement services, limited	P	P	C			P	P

	H.	General business and communications	P	P	P	SUP	SUP	P	P
	I.	General retail trade	P(9)	P(9)	P(9)			P(9)	P(9)
	J.	Group assembly and commercial outdoor recreation	C	C	C				C
	K.	Outdoor material and equipment sales and repair	P		P				
	L.	Professional services, medical	P	P	P	SUP	P(8)	P	P
	M.	Professional services, nonmedical	P	P	P	SUP	P(8)	P	P
	N.	Restaurant, full-service	P	P	P	SUP	P(8)	P	P
	O.	Restaurant, take-out	P	P	P			P	P
	P.	Scrap operations							
	Q.	Self-service storage							
	R.	Transient habitation	P	P	P			P(5)	P
	S.	Warehousing goods, transport and storage							
	T.	Wholesale sales	P	P	P				
IV.	Manufacturing activities								
	A.	Manufacturing, limited	P ¹¹	P ¹¹	P ¹¹ SUP			P ¹¹	P ¹¹
Accessory uses and activities									
	Accessory child care		C	C	C	C	C	C	C
	Accessory storage		P	P	P	P	P	P	P
	Administrative office		P	P	P	P	P	P	P
	Employee cafeteria		C	C	C			C	C
	Private recreational facilities		P	P	P			P	P
	Production for retail sale		C	C	C			C	C
	Residential occupancy		C	C	C	C	C	C	C

Note(s)—Key to interpreting use classifications.

P = Use permitted by right within the district.

SUP = Principal use permitted with supplemental provisions.

C = Conditional use (subject to approval by the Board of [Zoning] Appeals).

ASP = Accessory use permitted with supplemental provisions.

- (1) See [sub]section 5-104.1 and 6-104.1.
- (2) Gasoline sales and convenience markets are not permitted within CTC Districts.
- (3) Retail liquor stores shall not be permitted in the CNS and OPS Zoning Districts.
- (4) In CG districts, the following use listings are prohibited: Auto dealers, auto towing services.
- (5) When approved through the PUD or PUD Amendment process in article VIII.
- (6) Within the Town Center Overlay District, Main Street Area, and when approved through the PUD process in article VIII.
- (7) Excluding payday lenders and pawn shops.
- (8) See 6-104.3.
- (9) Grocery stores shall have a minimum of 20,000 square feet in sales floor area.
- (10) Any CMU or CTC mixed use building or mixed use site must meet the requirements for residential development standards set forth in Zoning Code section 8-207. To the extent any other applicable regulation or any modification through the PUD process imposes additional/conflicting regulations on a PUD applicant, the most strict regulation will apply.
- (11) Only Breweries and Microbreweries are permitted. In CTC and CMU Breweries and Microbreweries shall be permitted only through the PUD process in Article VIII.

6-102.2 *Principal permitted uses (P)*. Principal permitted uses are permitted as a matter of right within the district indicated, subject to the general requirements established for the district wherein the use is located.

6-102.3 *Uses permitted with supplemental provisions (SUP)*. A use permitted with conditions is an activity, use or structure which is permitted subject to a finding by the Zoning Administrator that the specific standards indicated for the use in question have been met. Only those uses and structures so indicated in table 6-102A, may be allowed within the districts indicated.

6-102.4 *Conditional uses (C)*. A conditional use is an activity, use, or structure which may require large land area, have unique operating, traffic generating or other characteristics that may tend to dominate or adversely affect the area more than do other uses permitted within the same zone district. Because the impacts of these uses cannot be satisfactorily predetermined for every possible location within a zone district, these land uses are permitted only upon approval by the Board of [Zoning] Appeals. Each conditional use is subject to a finding by the Board of [Zoning] Appeals that the specific standards indicated for the use in question have been met. Only those uses and structures so indicated in table 6-102A, may be allowed within the districts indicated.

6-102.5 *Accessory uses*. In addition to the principal activities expressed above, each activity type shall be deemed to include activities customarily associated with, and appropriate, incidental, and subordinate to the principal activity when such accessory activity is located on the same zone lot as such principal activity and meets the further conditions set forth in article III, section 3-105. Accessory uses designated with the letter "P" in table 6-102A, are permitted as a matter of right and no permit is required to conduct the activity in question. Those accessory uses designated with the letters "ASP" require a permit obtained from the Office of the Zoning Administrator. Permits for accessory uses designated "ASP" shall be issued upon demonstration that the activity in question meets the

requirements established for such activity article III, section 3-105. The third classification of accessory uses designated by the letter "C" require approval as a conditional use by the Board of Zoning Appeals. Upon issuance of any permit for a conditional accessory use such use or activity shall be continuously subject to compliance with any operational standard or criteria established by the Board of [Zoning] Appeals.

6-102.6 *Temporary uses.* The temporary uses and structures specified in article III, section 3-106, as permissible within residential districts may be permitted for the limited time periods indicated for each such use or activity.

6-102.7 *Uses not permitted.* Any uses or structures not allowable as permitted uses, conditional uses, temporary uses or accessory uses are prohibited within the various commercial districts.

Recommendation: Staff recommends forwarding the amendments of Sections 2-103, 3-103 and 6-102 of the Zoning Ordinance to the Board of Commissioners with a recommendation for approval.